

Memorandum

TO: CITY COUNCIL

**SUBJECT: 2009 COMMUNITY BUDGET
SURVEY REPORT OUT**

FROM: Mayor Chuck Reed

DATE: January 29, 2009

Approved

Chuck Reed

Date

1/29/09

OUTCOME

To provide an overview of the results of the telephone Community Budget Survey, which will guide the discussion for the February 13, 2009 City Council Priority Setting Session.

BACKGROUND

In 2007 the City Council approved several items related to the Reed Reforms, including those reforms that gave direction to "Change to a Community Based Budgeting Process." These reforms are:

- 29: Start the budget process with a survey of the public in early January.
- 30: Hold a conference on priorities with neighborhood associations in late January.
- 31: Have a Council hearing in February on New Initiatives and Unfunded Programs (NIUPS) and have the Council specify their priorities.
- 32: Report the results of Items 29-31 in the Mayor's March Budget Message.

This memorandum reports on Reed Reform Number 29.

ANALYSIS

2009 Community Budget Survey: Attached are the results of the 2009 Community Budget Survey, conducted by Fairbank, Maslin, Maullin and Associates (FMMA) from January 11 to January 18, 2009. This year's survey explored residents' perceptions of city services, their funding priorities and their support for or opposition to increase revenue or cut the budget deficit.

The attached report contains the results from the random sample and likely voters.

San José Budget

There was not clear consensus from residents on solving the deficit through additional revenue or reducing city services.

Revenue Generation

Depending on the revenue strategy, increases may require a two-thirds or majority vote of the voters of San José.

When presented with three different potential ballot measures to raise additional revenue for the City, only one of the measures was initially supported by a sizable majority of likely voters.

- 62 percent of likely voters indicated they would support a measure enacting a one-quarter cent sales tax.
- 50% of likely voters indicated they would support a measure establishing a ten percent tax on parking facility rates.
- 37% of likely voters indicated they would support a measure modernizing the business tax.

Residents are very supportive of selling non-essential city-owned properties or renting outdoor advertising space on city-owned properties as a way of addressing the city's budget deficit.

Budget Cuts

When residents were asked about six different general categories of city services and which they would be most willing to see cut in next year's budget, residents were most willing to cut recreation and parks services and least willing to cut public safety services.

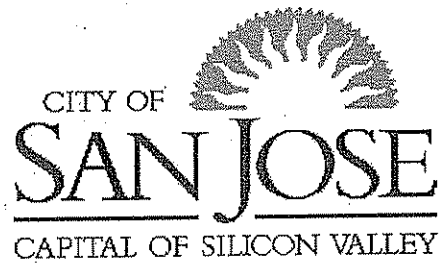
When asked about specific budget reductions:

At least one-half of residents found the following services not acceptable to cut:

- Reducing police staffing dedicated to solving property crimes (69%)
- Eliminating crime prevention programs in which the city works with neighborhoods (67%)
- Closing some senior centers (65%)
- Reducing the number of crossing guards (64%)
- Closing bathrooms in neighborhood parks (60%)
- Eliminating city programs that educate young people in character and decision-making or give them work in city government (54%)
- Reducing street maintenance (53%)
- Reducing the number of officers doing traffic enforcement (50%)

At least two-thirds of residents found the following potential reductions in city spending "somewhat" or "completely" acceptable to cut:

- Reducing the size of pay increases for city employees (79%)
- Reducing funds for recruiting, training and recognizing city employees (73%)
- Reducing branch library hours by one day per week (70%)
- Closing some city pools and aquatics centers (67%)
- Reducing maintenance of city buildings (67%)
- Reducing the size of benefit packages provided by city employees (66%)



City of San José 2009 Budget Priorities Survey Report of Findings

January 2009

320-344

Fairbank, Maslin, Maullin & Associates
Opinion Research & Public Policy Analysis

Santa Monica, CA – Oakland, CA – Madison, WI – Mexico City

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INTRODUCTION

Between January 11 and 18, 2009, Fairbank, Maslin, Maullin & Associates (FMM&A) conducted a telephone survey of 1,000 randomly-selected San José residents over the age of 18 to assess their views on issues related to the San José City budget. The survey questionnaire was translated and administered in both Spanish and Vietnamese, as well as in English. Survey questions were developed in consultation with City staff, and many were repeated from previous budget surveys conducted in 2007 and 2008. The sample was weighted slightly to conform to demographic data on the City's population.

In this study, one-half of the survey respondents were sampled using a Random-Digit-Dial (RDD) sampling methodology – where a computer randomly generates phone numbers within the City – and one-half were drawn randomly from a database of likely voters in the City. (This was the same methodology used in the 2008 survey.) Using an RDD sample allows the greatest number of residents an opportunity to participate in the survey – because it provides a method of reaching both listed and unlisted numbers – while using a likely voter sample permits collecting data on support for potential ballot measures from a sample of respondents representative of the universe of likely voters. For the purpose of this analysis, these two samples were generally combined, except for questions asking respondents to indicate their voting preference on potential future ballot measures. In most cases, differences in responses between the samples were minimal, and the report highlights places where noteworthy differences were observed.

The margin of error for the survey sample as a whole is plus or minus 3.2 percent. For the RDD sample (referred to as the “adult population sample”) as well as the sample drawn from voter lists (referred to as the “likely voter sample”) individually, the margin of error is 4.5 percent. The margin of error for smaller subgroups within each sample will be larger. For example, statistics reporting the opinions and attitudes of residents over age 65, who make up 16 percent of the sample, have a margin of error of plus or minus 7.9 percent. Therefore, for this and other population groupings of similar or even smaller size, interpretations of the survey's findings are more suggestive than definitive and should be treated with a certain caution.

This report discusses and analyzes the survey's principal findings. Following the summary of findings, the report is divided into five parts:

- **Part 1** describes San José residents' impressions of the present and future condition of the economy and their personal financial situations.
- **Part 2** describes San José residents' opinions of the quality of City services.
- **Part 3** examines San José residents' views of the City's budget, including their awareness of the budget process and preferences for solving the budget deficit through either service reductions or raising additional revenue.
- **Part 4** explores San José residents' preferences for which City services should be reduced or eliminated to solve the budget deficit.
- **Part 5** focuses on the reaction of San José residents to several specific proposals for raising additional revenue.

The topline results of the survey are included at the end of the report in **Appendix A**.

SUMMARY OF MAJOR FINDINGS

- Most residents are very concerned about the local economy (61% view it negatively) and believe that it will only get worse in the future. However, residents feel better about their personal financial situations than about the local economy. One-half (50%) view their personal situation positively and two in five (39%) believe that it will improve twelve months from now.
- The vast majority of residents (82%) are satisfied with the services provided by the City and overall satisfaction levels are very similar to those seen in previous surveys. Encouragingly, the intensity of this satisfaction has increased over the past year, with 37 percent now “very” satisfied with City services, compared to 26 percent similarly satisfied in 2008.
- While a majority of residents (56%) indicate they follow the City budget to some extent, few (17%) follow it “very closely.” In fact, 43 percent admit to not following it too closely or not following it at all.
- Though few residents follow the City’s budget closely, a majority (55%) has negative feelings about the budget and are concerned that it will get worse one year from now.
- Residents are divided on whether the City’s budget deficit should be balanced through reducing City services or raising additional revenue, though they do lean towards prioritizing service reductions (42%) over seeking additional revenue through taxes or fees (34%). Notably, one-quarter (24%) decline to prioritize one set of strategies over the other.
- In terms of general categories of City services, residents are most willing to see cuts in recreation and park services to help balance the City’s budget deficit and are least willing to cut public safety services. Of course, nearly one in five (18%) were not willing to accept cuts in any broad categories of City services.
- When presented with a list of more specific potential cuts to City services, a majority of residents believe that many of them are at least “somewhat” acceptable, particularly those that involve reducing benefits for City employees. However, few believe that these specific proposed cuts are “completely” acceptable, suggesting that while residents are open to many specific cuts, they may not be enthusiastic about them.
- At least two-thirds of residents found the following potential reductions in City spending “somewhat” or “completely” acceptable to cut:
 - Reducing the size of pay increases for City employees
 - Reducing funds for recruiting, training and recognizing City employees
 - Reducing branch library hours by one day per week
 - Closing some City pools and aquatics centers
 - Reducing maintenance of City buildings
 - Reducing the size of benefits packages provided to City employees

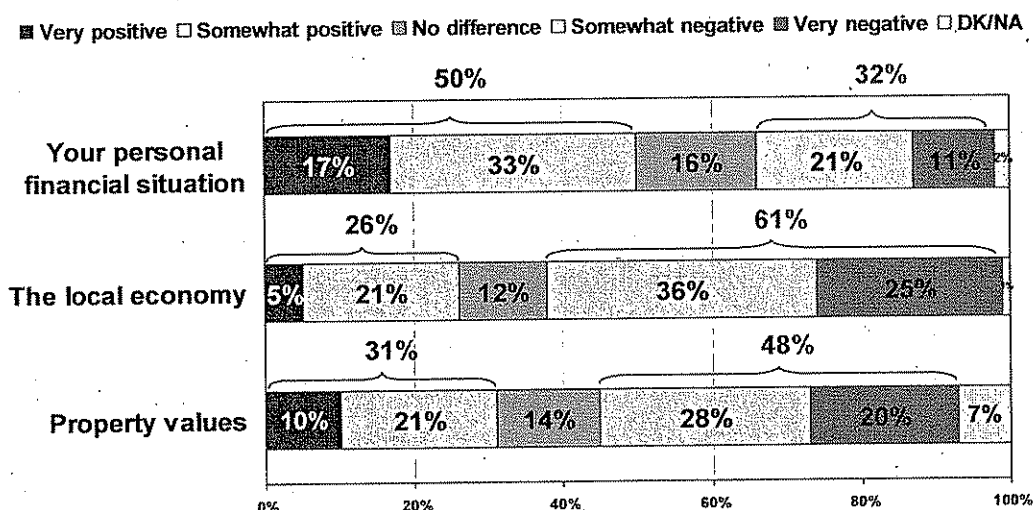
- At least one-half of residents found the following services “not at all” acceptable to cut:
 - Reducing police staffing dedicated to solving property crimes
 - Eliminating crime prevention programs in which the City works with neighborhoods
 - Closing some senior centers
 - Reducing the number of school crossing guards
 - Closing bathrooms in neighborhood parks
 - Eliminating City programs that educate young people in character and decision-making or give them work experience in City government
 - Reducing the number of officers doing traffic enforcement
 - Reducing street maintenance
- When presented with three different potential ballot measures to raise additional revenue for the City, only one of the measures was initially supported by a sizable majority of likely voters:
 - 62 percent of likely voters initially indicated they would support a measure enacting a one-quarter cent sales tax (36 percent initially opposed the measure). However, that support dropped to 54 percent after arguments from both supporters and opponents of the measure.
 - One-half (50%) of likely voters– both initially and after arguments from supporters and opponents – indicated they would support a measure establishing a ten percent tax on parking facility rates, though no more than one-quarter would “definitely” vote in favor of the measure (45 percent initially opposed the measure).
 - A plurality of likely voters (49%) initially indicated that they would oppose a measure modernizing the City’s business tax to keep pace with inflation (37 percent initially supported the measure). After arguments from supporters and opponents, opposition rose to 54 percent while support increased to 40 percent.
- Residents are very supportive of selling non-essential City-owned properties or renting outdoor advertising space on City-owned properties as a way of addressing the City’s budget deficit.

The remainder of this report presents these and other results of the survey in more detail.

PART 1: ECONOMIC OUTLOOK

Not surprisingly, San José residents harbor concerns about the economy. As shown in **Figure 1**, a majority (61%) views the local economy negatively and roughly one-half (48%) are worried about property values, concerns shared across all demographic groups. Interestingly, one-half (50%) view their own “personal financial situation” favorably, with only one-third (32%) seeing it in a negative light. As one might imagine, those with lower household incomes, lower levels of education, and renters were the most likely to view their personal economic situations negatively, but even among them most were at worst mixed. This divergence between people’s appraisals of their own economic situation versus the economy as a whole is not uncommon. In difficult economic times, people generally – and in this case San José residents, specifically – are often inundated with bleak stories about the economy through various news outlets or through conversations with friends, family members, and coworkers. However, as is seen here in San José, they often do not experience the same problems in their own households; consequently, they view their own personal economic situations as better than the economy as a whole.

FIGURE 1:
Current Feelings about the Economy



Respondents were also asked to indicate whether they thought these same economic issues might be better or worse in the future (“twelve months from now”). As shown in **Figure 2** on the following page, the same trend continued, with residents somewhat more optimistic about their own personal financial situations than the local economy. While three-quarters (76%) feel that their personal situation will either stay the same or improve one year from now, roughly one-half – across all demographic groups – are still pessimistic about the future of the local economy and property values (54 percent and 48 percent, respectively).

Age appears to be a critical factor in determining residents' opinion about their future financial situations, even more so than income or education. Younger residents are more likely to believe their economic futures will be better than are older residents. For example, 51 percent of residents under age 30 have positive opinions of their future personal economic situations. At the other end of the spectrum, only 26 percent of residents 65 or older are similarly positive, though one-half (50%) believe that their situations will not change significantly, many of whom are likely on fixed incomes.

FIGURE 2:
Feelings about Future Economic Conditions

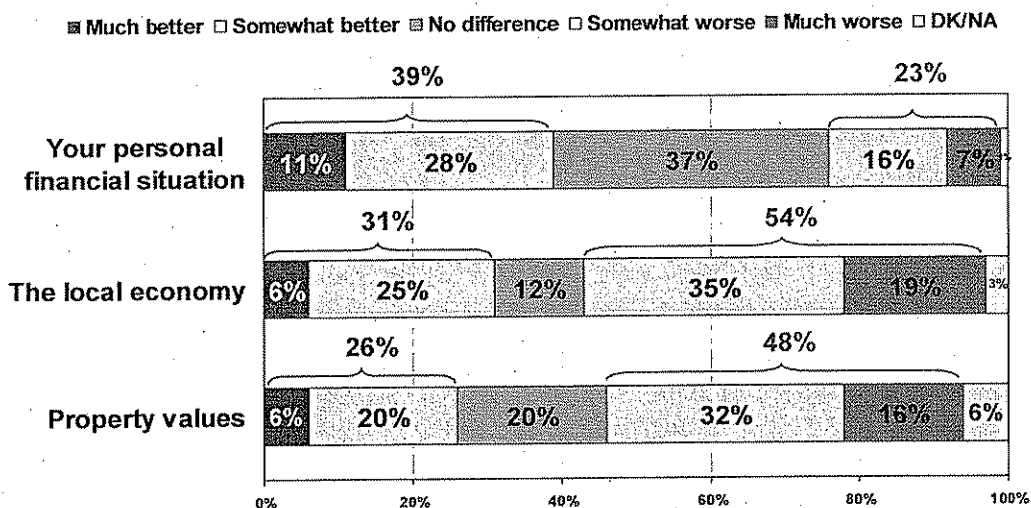
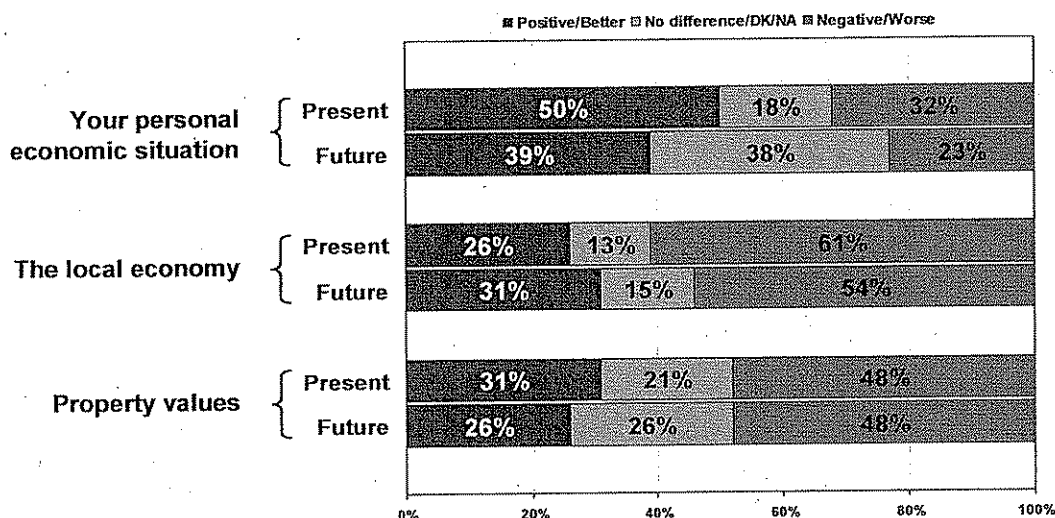


Figure 3 on the following page combines these results to better compare residents' present and future economic impressions. These results suggest that residents do feel slightly more optimistic about the local economy in the future (31% to 26%), but that they are not entirely convinced that they themselves will be much better off twelve months from now. While residents are still more likely to view their current economic situations positively (50%) than negatively (32%), when looking at the future, fewer residents (39%) feel that their personal situations will be better. Interestingly, nearly two in five (38%) do not believe that they will experience much of a difference and nearly one-quarter (23%) believe they will be worse off economically speaking.

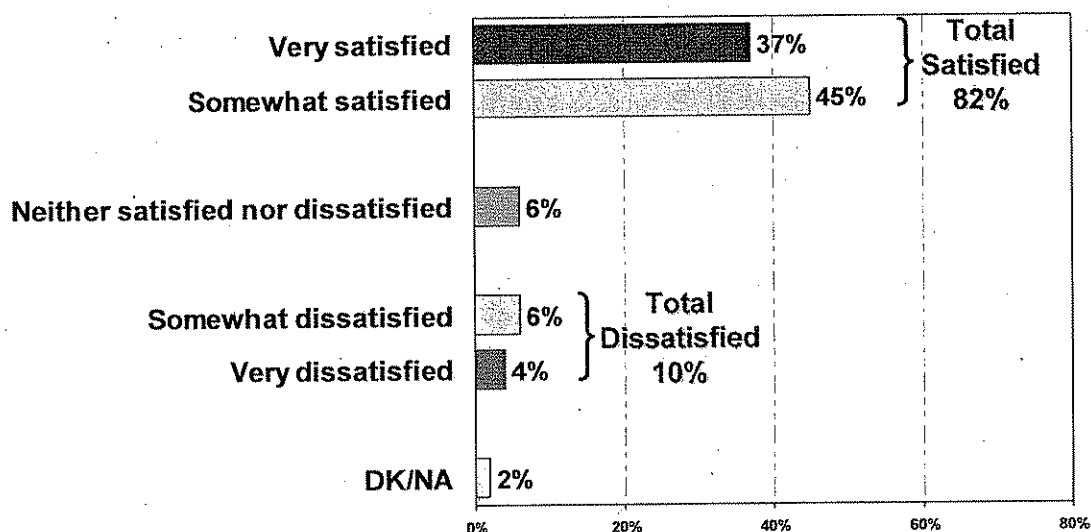
FIGURE 3:
Feelings about Current and Future Economic Conditions



PART 2: RATING THE QUALITY OF CITY SERVICES

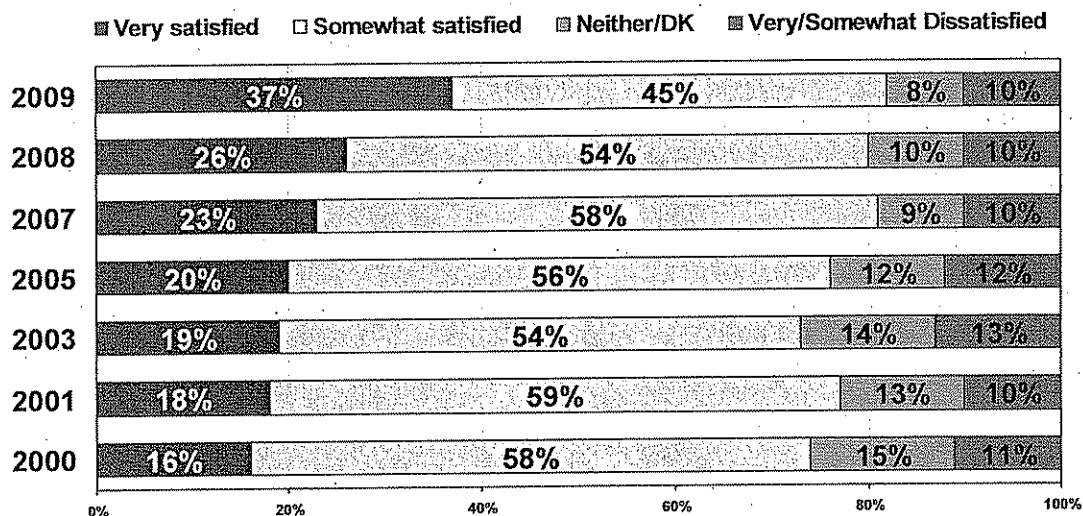
San José residents – across all demographic groups – are overwhelmingly satisfied with the overall quality of services provided by the City of San José. As shown in **Figure 4**, while only 10 percent expressed any dissatisfaction with City services, a reassuring 82 percent – over four in five residents – are either “very” or “somewhat” satisfied. Furthermore, over one-third (37%) are “very” satisfied, suggesting that a relatively sizable portion of City residents feel very positive about San José City government.

FIGURE 4:
Satisfaction Ratings for City Services



As shown in **Figure 5**, while overall satisfaction levels have remained consistent since 2000, there has been a steady increase in intensity of that satisfaction (2000-2005 data from City of San José community satisfaction surveys). Notably, between 2008 and 2009 there appears to have been an even more pronounced increase in this intensity, with 42 percent more residents expressing that they are “very” satisfied with City services. This increase from 26 to 37 percent from 2008 to 2009 was most significant among the wealthiest City residents and older women. While only 19 percent of those with household incomes \$150,000 or greater were “very” satisfied with City services in 2008, 40 percent were “very” satisfied in 2009, an increase of 21 percent. Women over 50 – including Latino women and Asian women – also expressed far more intense satisfaction levels with City services in 2009 than they did in 2008.

FIGURE 5:
City Services Satisfaction Levels, 2000-2009*



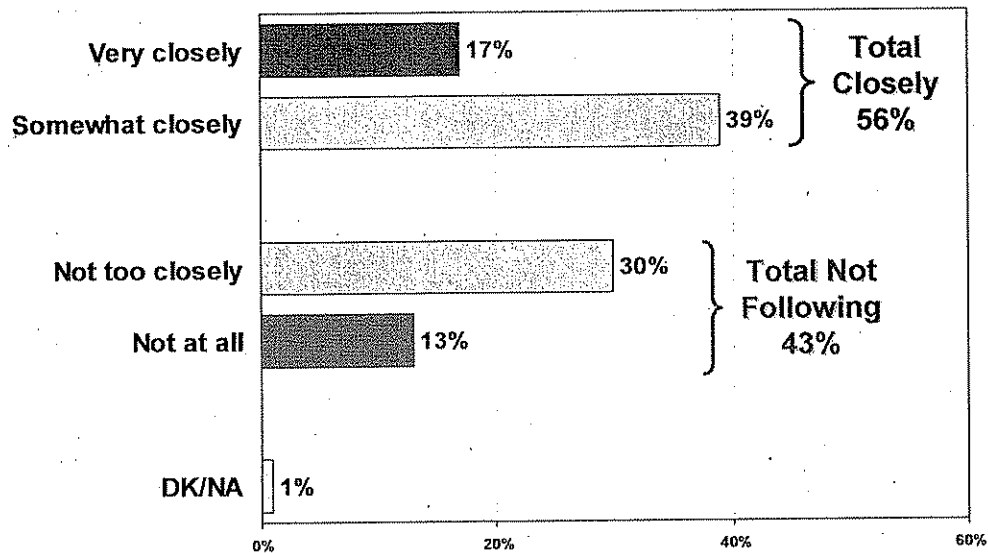
* 2000-2005 data from City of San José community satisfaction surveys.

PART 3: PERCEPTIONS OF THE SAN JOSÉ CITY BUDGET

3.1 Awareness of the Budget Process

While a majority of residents (56%) indicated they follow the City budget to some extent, few follow it particularly closely. As shown in **Figure 6** on the following page, only 17 percent follow it “very closely” with two in five (39%) following it “somewhat closely.” At the same time, 43 percent essentially admit to not monitoring City budget developments much at all. While every city is different, the relatively low proportion of residents closely following the City budget in San José is not atypical. Those who follow the budget more closely tend to be residents with higher household incomes, longer-term residents, post-graduate educated, and white residents – particularly white women and white residents ages 50 or older. That being said, in no demographic group do more than one-quarter of residents follow the City’s budget “very” closely.

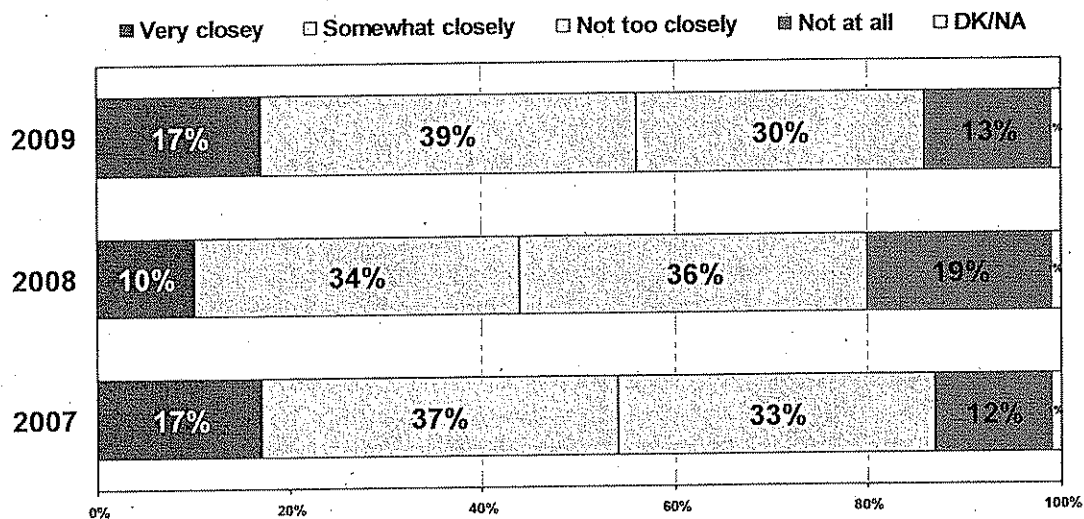
FIGURE 6:
Closeness with which Residents Follow the City Budget



It is also worth noting that there is a slight tendency in a question like this for respondents to provide a “socially desirable” answer, as many people understand that it is worthwhile to pay attention to important local government issues. As a result, the proportion may be somewhat overstated. Additionally, as previously shown in **Figure 4**, the vast majority of residents are satisfied with City services. Given this relatively high level of contentment, it is not surprising that few residents spend much time following development with the City budget. In their lives, the City is adequately meeting their needs and there may not be much urgency for them to monitor budget issues.

As shown in **Figure 7** on the following page, the overall proportion of residents asserting they follow the City budget has fluctuated between the mid 40’s to the mid 50’s and the results from 2009 appear to more closely resemble the 2007 results. With 2009 promising to be a historically challenging year for local governments in California – and San José being no exception – it will be interesting to see if in future surveys the percent of residents “very closely” following the City budget increases again, suggesting a steady upward trend from 2008.

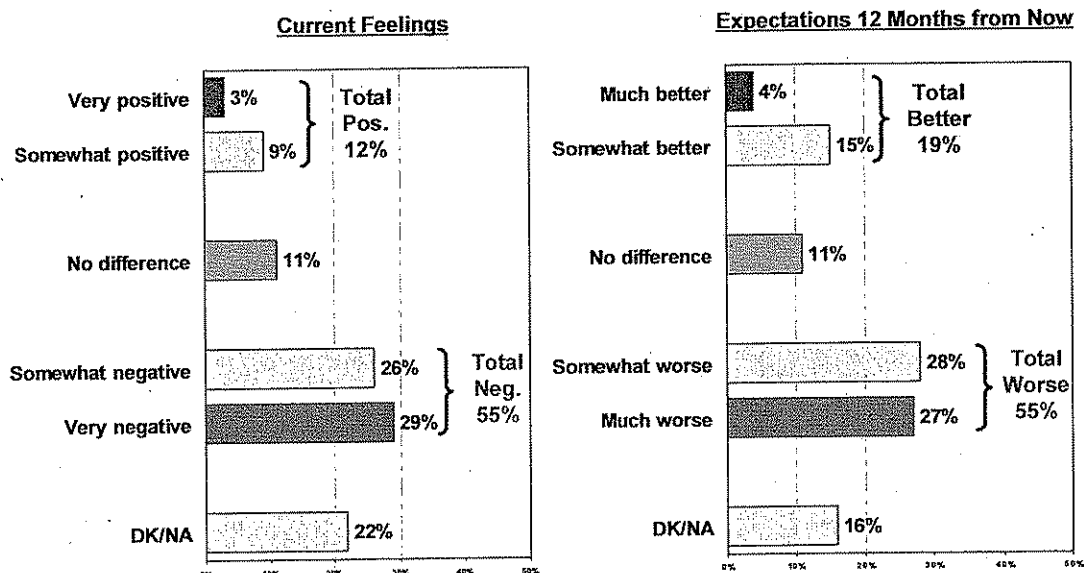
FIGURE 7:
Closeness with Which Residents Follow the City Budget, 2007-2009



3.2 Impressions of the City's Budget

Although few residents pay close attention to the City's budget, that does not appear to prevent them from possessing rather strong opinions about it. As shown in **Figure 8**, a majority (55%) has negative feelings about the state budget, with three in ten possessing "very" negative opinions. Only twelve percent have positive feelings about the budget, and a combined 33 percent do not have strong opinions on it one way or another. Looking ahead a year from now, only one in five (19%) believe that the budget will be in better shape, while a majority (55%) believe that it will only be worse. These results suggest that even though few residents follow the City's budget, a majority are aware that the City faces many near-term and future budgetary challenges, impressions undoubtedly affected by negative economic news and stories about state budget impasses.

FIGURE 8:
Impressions of the Current and Future City Budget

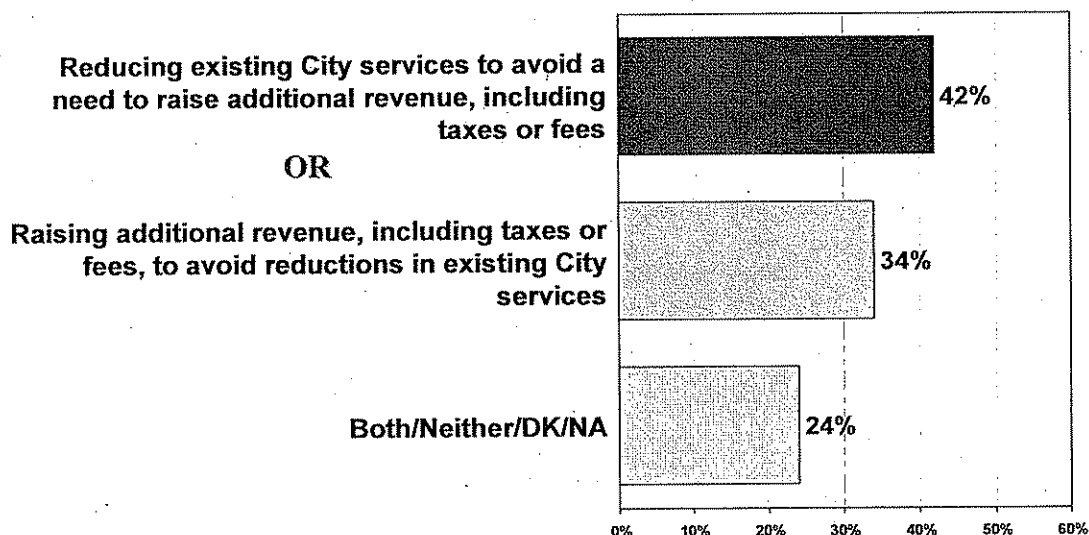


3.3 Preference for Reducing Services or Raising Additional Revenue

Early in the survey – and before being presented with various specific alternatives for cutting City services or raising City revenue – respondents were asked to consider a situation where the City of San José would not be able to generate enough revenue to maintain the current level of services it provides to its residents. When asked whether they would prefer to address this situation by either reducing services or raising additional revenue, a plurality (42%) expressed a preference for cutting services, while one-third (34%) would prefer to raise additional revenue (Figure 9). Fully one-quarter (24%) were unable to select one option over another, preferring to pursue both strategies, neither strategy or were simply undecided. While more residents seem to prefer cutting services to raising revenues, it is by no means a majority opinion. San José residents are clearly not of one mind and are generally divided on the best course of action. When asked in other communities, these ambivalent feelings towards cutting City services and raising additional revenue are fairly typical. Those most likely to prefer reducing services include Asians (particularly men and those ages 50+), Latino men, and those not registered to vote. Those with annual household incomes of at least \$150,000 prefer to raise additional revenue.

FIGURE 9:
Preferences between Reducing Services or Raising Additional Revenue

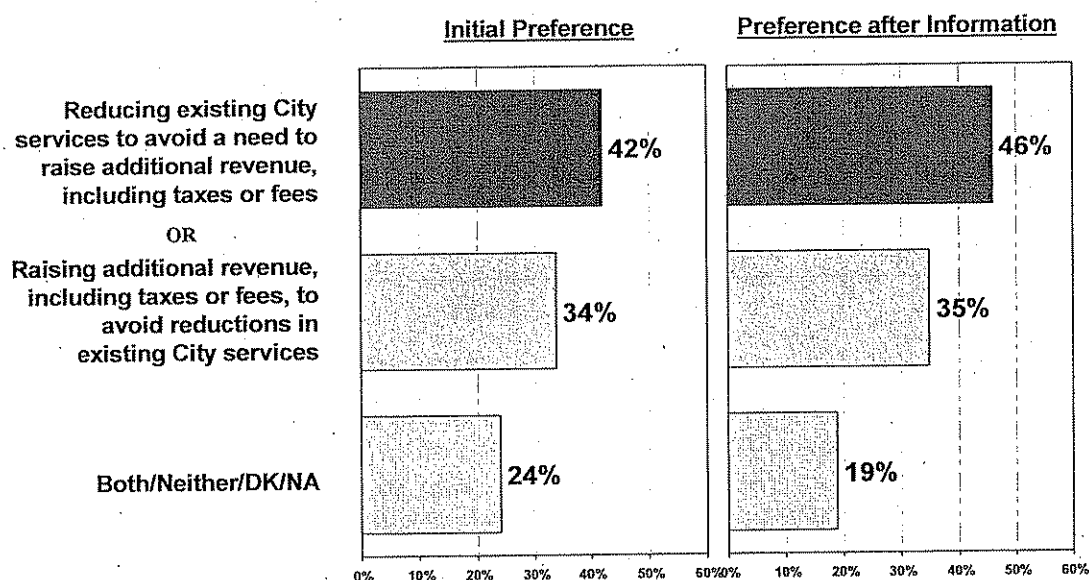
The City currently provides many services to its residents, but will not likely generate enough revenue to continue providing services at current levels in the future. In making decisions about the budget, should the City of San José place a higher priority on:



Over the course of the survey, respondents were presented with several different strategies for raising additional revenue, arguments for and against some of these measures, and potential cuts to City service should new revenues or costs savings not be found. They were then again asked to express their preferences for cutting City services or raising City revenue to discern if hearing this additional background information influenced their initially expressed preferences. As shown in Figure 10 on the following

page, there was little change in overall preferences. The percentage of those preferring cuts rose from 42 to 46 percent, while the percentage preferring increased revenue rose from 34 to 35 percent (though both increases are close to the margin of sampling error). Hearing this background information did appear to help some select a preferred course of action, but one in five (19%) still remained on the fence and though more did prefer cutting services, it did not emerge as a clear-cut preference over raising additional revenue.

FIGURE 10:
Preferences between Reducing Services or Raising Additional Revenue before and after Additional Information



PART 4: PREFERENCES FOR CUTTING CITY SERVICES

In order to communicate the magnitude of the budget challenges facing the City of San José, respondents were read the following statement:

Over the past seven years, the City has implemented over 350 million dollars in budget reductions. However, the City still needs to find 106 million dollars of reductions over the next four years to address its structural budget deficit.

Given this background, they were then asked in a series of questions to determine which City services residents are most and least comfortable cutting to balance the City budget.

4.1 Prioritizing Cuts to General Categories of City Services

Respondents were first presented with six different general categories of City services and asked which they would be “most willing to see cut back in next year’s budget.” Respondents’ first and second choices are shown in **Figure 11** on the following page. Overall, residents were most willing to cut recreation and park services and least willing

to cut public safety services. Whereas nearly one-quarter (23%) chose “recreation services, including community centers” as their first priority for cuts, half as many (11%) chose “police and fire service” as either their first or second priority.

FIGURE 11:
Preferences for Cuts to Categories of City Services
(Sorted by 1st Choice)

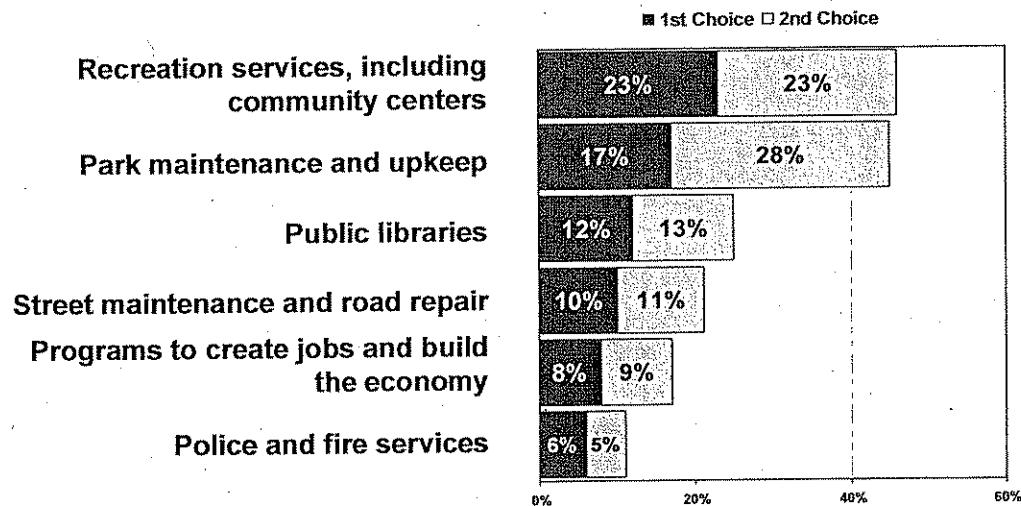


Figure 12 on the following page presents a side-by-side comparison of the results to this question between 2008 and 2009. While the relative willingness to cut services in five of the six categories remained very similar between 2008 and 2009 – with slight increases in the willingness to cut recreation and park services in 2009 – there was a notable change in opinions regarding City services designed to stimulate the local economy. Much of this may be explained by characterization of these kinds of services in the surveys, which changed from 2008 to 2009. In 2008, these services were described as “programs to attract and retain businesses in San José,” while in 2009 they were described as “programs to create jobs and build the economy.” As shown in **Figure 12**, in 2008 22 percent selected City services that help businesses as their first priority for cuts, while in 2009 only 8 percent selected City services that “create jobs and build the economy” as their first priority for cuts. Part of this difference may be explained by the dramatic negative turn in the economy over the second half of 2008, leaving residents far more sensitive to trimming any programs that may stimulate the economy. Additionally, the change in wording also suggests that residents may be far more supportive of City services that create jobs – benefiting working people and perhaps themselves – than services that assist businesses, even though the City services may implement the exact same set of programs.

FIGURE 12:
Prioritized Categories of General Services Cuts to Resolve the Deficit, 2008-2009

Category of City Services	First Choice (%)			First or Second Choice (%)		
	2009	2008	Δ	2009	2008	Δ
Recreation services, including community centers	23	21	+2	46	42	+4
Park maintenance and upkeep	17	16	+1	45	41	+4
Public libraries	12	11	+1	25	24	+1
Street maintenance and road repair	10	8	+2	21	20	+1
<i>Programs to create jobs and build the economy (2009)</i> <i>Programs to attract and retain businesses in San José (2008)</i>	8	22	-14	17	35	-18
Police and fire services	6	7	-1	11	13	-2
Other	1	1	-	2	2	-
All	2	3	-1	2	0	+2
None	18	8	+10	27	15	+12
Don't know	3	3	-	4	5	-1

Another notable difference between 2009 and 2008 is the number of respondents indicating that they were not willing to cut any of these types of City services. In 2008 only 8 percent indicated they were not willing to cut any of the six categories or services, while this number more than doubled to 18 percent in 2009. These results suggest that residents may have moved in the past year to attribute more value to City services, and are less willing to cut them to balance the City budget, at least when those services are described in broad categories.

4.2 Specific Proposals to Cut City Services

Residents were also asked how acceptable – “completely,” “somewhat,” or “not at all” – they considered a number of specific potential cuts in services. As shown in **Figure 13** on the following page, a majority of residents believe that cuts to many specific types of City services are at least “somewhat” acceptable. However, few residents believe that cuts to any of these services are “completely” acceptable, suggesting that they harbor some concerns about the severity of the cuts, particularly when left unspecified. One obvious – and not surprising – exception is “reducing the size of pay increases for City employees,” which 53 percent found “completely” acceptable and four in five (79%) found at least “somewhat” acceptable. The below potential cuts were found either “completely” acceptable by at least one-third of respondents or at least “somewhat” acceptable by two-thirds of respondents:

- Reducing the size of pay increases for City employees
- Reducing funds for recruiting, training and recognizing City employees
- Reducing branch library hours by one day per week
- Closing some City pools and aquatics centers
- Reducing maintenance of City buildings
- Reducing the size of benefits packages provided to City employees

Three of these top six potential areas for budget cuts are connected to benefits for City employees, whether reducing pay raises, reducing overall benefits packages, or providing fewer professional development and recognition opportunities.

At the other end of the spectrum, a majority of respondents deemed eight different categories as “not at all” acceptable to cut:

- Reducing police staffing dedicated to solving property crimes
- Eliminating crime prevention programs in which the City works with neighborhoods
- Closing some senior centers
- Reducing the number of school crossing guards
- Closing bathrooms in neighborhood parks
- Eliminating City programs that educate young people in character and decision-making or give them work experience in City government
- Reducing the number of officers doing traffic enforcement
- Reducing street maintenance

Given the low priority respondents previously assigned to cutting the larger categories of police and fire services, it is not surprising that three of these eight City services directly address public safety. Additionally, it is noteworthy that another three are services that provide benefits to either seniors or youth, populations that residents typically view as deserving a higher level of attention from public agencies.

FIGURE 13:
Acceptability of Cuts to Specific Services to Solve Budget Deficit
(Sort by Total Acceptable)

Item	TOTAL ACCEPT. (%)	Completely Accept. (%)	Smwt. Accept. (%)	Not Accept. (%)	DK/NA (%)
Reducing the size of pay increases for City employees	79	53	26	19	3
Reducing funds for recruiting, training and recognizing City employees	73	36	37	23	4
Reducing branch library hours by one day per week	70	39	31	28	2
Closing some City pools and aquatics centers	67	31	36	28	4
Reducing maintenance of City buildings	67	23	44	28	5
Reducing the size of benefits packages provided to City employees	66	39	27	28	6
Reducing staff at community centers	64	25	39	31	6
Reducing maintenance of street medians and residential park strips	64	23	41	32	4
Reducing funding to non-profit community based organizations	62	24	38	34	4
Reducing lawn mowing and garbage pick-up at parks	62	22	40	35	3
Reducing funds for revenue collection and management of City finances	61	25	36	26	13
Reducing support staff, but not sworn police officers, in the police department	59	23	36	34	7
Transitioning more responsibilities from police officers to civilian Police Department employees	59	26	33	32	10
Reducing administrative staff at the fire department	58	22	36	35	8
Closing some community centers	51	15	36	44	5
Reducing staff at senior centers	50	17	33	43	7
Reducing street maintenance	46	18	28	53	2
Reducing the number of officers doing traffic enforcement	46	18	28	50	4
Eliminating City programs that educate young people in character and decision-making or give them work experience in City government	43	16	27	54	2
Closing bathrooms in neighborhood parks	38	14	24	60	2
Reducing the number of school crossing guards	34	11	23	64	2
Closing some senior centers	31	7	24	65	3
Eliminating crime prevention programs in which the City works with neighborhoods	29	8	21	67	4
Reducing police staffing dedicated to solving property crimes	29	8	21	69	3

Many of these specific services were also tested in the 2008 survey (Figure 14 on the following page presents the 2009 and 2008 results side-by-side). The most notable difference between the 2009 and 2008 results is that in nearly all cases, 2009 respondents were more willing to find cuts to specific City services “acceptable.” This is an

interesting contrast with the results presented in Figure 12. In Figure 12, we saw a significant increase in the number of respondents from 2008 to 2009 who indicated that they did not want to see cuts in any of the six broad categories of City services presented to them. However in Figure 14, we see that when it comes to more specific City services, residents have become more willing to see cuts made. Perhaps in these economic times with increasing budget problems at the federal and particularly state levels, residents see their City government playing a more important role and are consequently less likely to support cuts to City government in the abstract. However, when residents learn more about the specific programs considered for reduction or elimination, they may have a higher level of comfort with making cuts, given the current budget deficit.

FIGURE 14:
Prioritized Categories of General Services Cuts to Resolve the Deficit, 2008-2009
(Sorted by Change in Completely Acceptable)

Category of City Services	Completely Acceptable (%)			Total Acceptable (%)		
	2009	2008	Δ	2009	2008	Δ
Reducing the size of pay increases for City employees	53	36	+17	79	71	+8
Reducing street maintenance	18	7	+11	46	38	+8
Reducing staff at community centers	25	16	+9	64	57	+7
Reducing staff at senior centers	17	9	+8	50	41	+9
Reducing funds for recruiting, training and recognizing City employees	36	28	+8	73	72	+1
Reducing the number of officers doing traffic enforcement	18	12	+6	46	37	+9
Reducing funds for revenue collection and management of City finances	25	19	+6	61	60	+1
Reducing the number of school crossing guards	11	6	+5	34	29	+5
Closing bathrooms in neighborhood parks	14	10	+4	38	29	+9
Reducing support staff, but not sworn police officers, in the police department	23	19	+4	59	59	-
Eliminating City programs that educate young people in character and decision-making or give them work experience in City government	16	14	+2	43	37	+6
Reducing administrative staff at the fire department	22	20	+2	58	55	+3
Reducing police staffing dedicated to solving property crimes	8	6	+2	29	29	-
Reducing funding to non-profit community based organizations	24	22	+2	62	63	-1
Eliminating crime prevention programs in which the City works with neighborhoods	8	7	+1	29	23	+6

PART 5: SPECIFIC REVENUE-GENERATING PROPOSALS

In addition to asking respondents to react to a series of potential cuts to City services, respondents were also asked to provide their opinions about several different options for generating additional revenue. Specifically, they were asked about three potential finance measures requiring voter approval – a one-quarter cent sales tax, a ten percent tax on parking facility rates in the City, and modernizations to the City's business tax to account for inflation – and several other options for selling or renting City property. This section reviews the results of these questions.

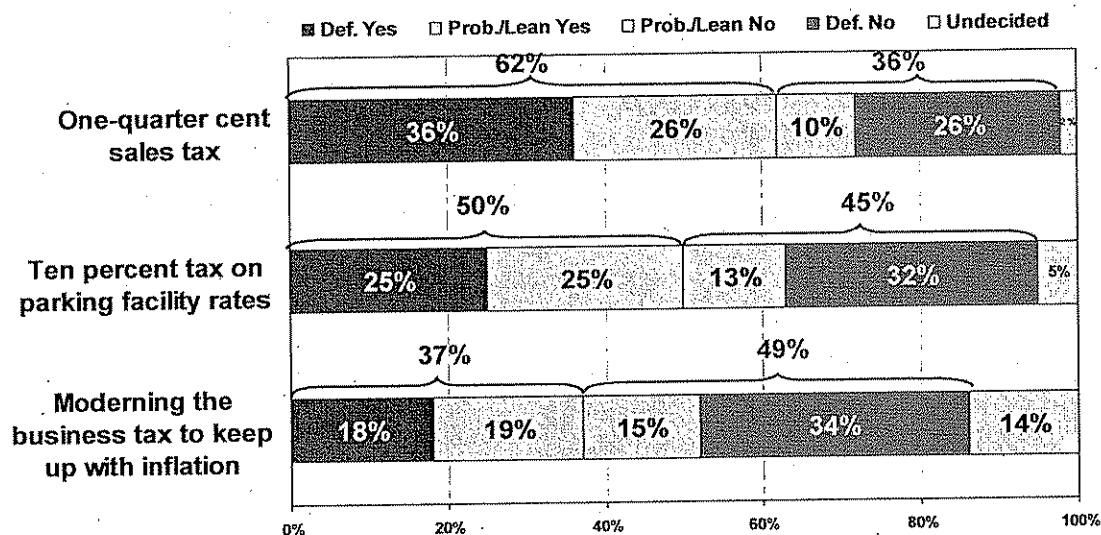
Note: one-half of the 1,000 respondents were drawn from a list of likely off-year election voters and the survey results for the questions related to the potential ballot measures are based only upon the responses from that subset of respondents, unless otherwise noted.

5.1 Initial Support for Potential Ballot Measures

Residents were presented with three different ballot measures that they may see on a future City of San José ballot and asked to indicate how they would vote on each measure. As an initial proposal, all respondents were first read a sample ballot title and summary for a measure enacting a one-quarter cent sales tax. Respondents were then read – in random order – short conceptual summaries of a measure to establish a ten percent tax on parking facility rates in the City and a measure to modernize the tax that businesses pay to keep up with inflation.

As shown in **Figure 15** on the following page, only the one-quarter cent sales tax measure generated initial support from a solid majority of likely voter respondents. While 62 percent indicated they would vote “yes” on the sales tax measure, only 50 percent expressed support for the parking tax measure, and a plurality (49%) actually indicated they would vote “no” on the business tax measure.

FIGURE 15:
Initial Support for Potential Finance Measures
(Results among Likely Voters)



5.2 Support for a One-Quarter Cent Sales Tax Increase

The first potential ballot measure presented to survey respondents would enact a one-quarter cent sales tax in the City of San José. The draft ballot language tested for the measure is shown below:

“The City of San José Vital City Services Measure. In order to protect and maintain essential City services such as police patrols, fire protection, 9-1-1 emergency response, street maintenance, pothole repair, parks and libraries, youth and senior recreation programs, and neighborhood watch and crime prevention, shall an ordinance be adopted to enact a one-quarter cent sales tax, subject to existing financial audits and public expenditure reports?”

Survey respondents were also presented with short statements from potential supporters and opponents of the measure. After hearing these arguments, respondents were asked again to indicate how they thought they would vote on the potential ballot measure. As shown in Figure 16 on the following page, support eroded for the sales tax measure after respondents were exposed to both positive and negative arguments. Overall support dropped from 62 to 54 percent, and while “definite” support also slightly decreased, one-third still indicated they would “definitely” vote in favor of the measure in the final vote question. At the same time, opposition to the measure increased from 36 to 43 percent. In the end, a relatively slim majority still expressed support for increasing the sales tax by one-quarter cent, but these results suggest that opponents’ arguments – particularly in these difficult economic times – can influence voters.

FIGURE 16:
Support for a Ballot Measure Enacting a One-Quarter Cent Sales Tax

Vote	Percentage (%)		
	Initial Vote	Vote After Messages	Δ
Definitely yes	36	33	-3
Probably/lean yes	26	21	-5
TOTAL YES	62	54	-8
Definitely no	26	28	+2
Probably/lean no	10	15	+5
TOTAL NO	36	43	+7
UNDECIDED	2	3	+1

The demographic groups disproportionately supportive of the sales tax measure in the initial vote included voters under the age of 50, younger Latino women, renters, frequent voters, and shorter-term City residents (less than five years). However, as shown in **Figure 16**, many initially in favor of the measure were somewhat less inclined to do so after hearing arguments from both supporters and opponents. Those voters most likely to rescind their initial support included frequent voters, voters ages 18-29, Asian women, younger Latino men, voter with some college education, and voters with the lowest household incomes (less than \$30,000).

5.3 Support for a Ten Percent Tax on Parking Facility Rates

Respondents were also presented with a potential ballot measure to create a ten percent tax on parking facility rates in the City. Instead of testing full ballot language, respondents were read the following short, conceptual description, as is shown below:

“A measure to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries by establishing a ten percent tax on parking facility rates in San José.”

Survey respondents were also presented with short statements from potential supporters and opponents of this measure, and once again, were asked how they thought they would vote on the potential ballot measure after hearing these arguments. In the case of this measure, the positive and negative arguments appeared to have negligible impact on respondents' voting preferences. The results in **Figure 17** on the following page show minimal changes in overall support and opposition levels, well within the margin of sampling error. The balanced results themselves, and the minimal impact of arguments from supporters and opponents, suggest that voters are evenly divided on this measure. Additionally, “definite no” votes outpaced “definite yes” votes both in the initial and final votes, with roughly one-quarter indicating they would “definitely” vote in favor of the measure and roughly one-third “definitely” opposing the measure. These results – particularly the tepid support intensity – suggest an evenly divided electorate, one

holding relatively entrenched positions on the measure and not likely to embrace the measure with much enthusiasm.

FIGURE 17:
**Support for a Ballot Measure Establishing a
Ten Percent Tax on Parking Facility Rates**

Vote	Percentage (%)		
	Initial Vote	Vote After Messages	Δ
Definitely yes	25	26	+1
Probably/lean yes	25	24	-1
TOTAL YES	50	50	-
Definitely no	32	33	+1
Probably/lean no	13	14	+1
TOTAL NO	45	47	+2
UNDECIDED	5	3	-2

The demographic groups disproportionately supportive of the measure taxing parking facility rates included several groups of male voters (specifically Latinos and men ages 18-49), upper-middle to high income voters (household incomes greater than \$75,000), shorter-term City residents (less than five years), and voters ages 30-39. With little change in overall support and opposition levels to the measure after positive and negative arguments, it would appear that very few respondents changed their opinions. However, these results mask the fact that support was more likely to decrease in several specific demographic groups, including Latinos, Asian women, and those with working class income levels (\$30,000-\$75,000). (Support did not disproportionately increase significantly in any demographic groups.)

5.4 Support for Modernizing the Business Tax to Keep Pace with Inflation

A third potential ballot measure read to respondents would modernize the City's existing business tax, adjusting it regularly to keep pace with inflation. Again, instead of testing full ballot language for this measure, respondents were read a short, conceptual description of the measure; however, for this measure respondents were read one of two different versions of this description (shown below). The difference between the two versions was the addition of the phrase "which would approximately double annual payments," a phrase providing respondents with a better feel for the order of magnitude of the proposed increase. In this technique (called "split-sampling"), respondents were randomly divided into two groups (A and B), each consisting of a random sample of likely voters. Respondents in "Group A" were read the "Split Sample A" measure description and respondents in "Group B" were read the "Split Sample B" description.

Split Sample A: “A measure to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries by modernizing the tax that businesses pay with an inflation adjustment.”

Split Sample B: “A measure to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries by modernizing the tax that businesses pay with an inflation adjustment, which would approximately double annual payments.”

As shown in **Figure 18**, neither description of the business tax measure generated support from a majority of respondents. (Note: the combined vote results for both measure descriptions were included in **Figure 15**.) However, there were notable differences between the two versions. A plurality of 45 percent of respondents indicated they would vote “yes” in favor of the version that did not mention a doubling of the existing annual payments, with 38 percent opposed and a more substantial 17 percent undecided. In contrast, a solid majority of respondents opposed the version that did include the doubling language, with opponents outnumbering supporters by a two to one margin – 60 to 31 percent. In fact, nearly as many respondents would “definitely” vote “no” on this measure when it included the doubling language (44%) as would in total vote “yes” on the measure when the doubling language was not present (45%). These results show relatively mixed support for this measure, support that can be quickly diminished when the amount of the initial tax increase is put into context.

FIGURE 18:
Initial Support for a Ballot Measure Making
Inflation Adjustments to the City’s Business Tax

Vote	Percentage (%)		
	Initial Vote without “Doubling” Language	Initial Vote with “Doubling” Language	Initial Combined Vote
Definitely yes	25	11	18
Probably/lean yes	20	20	19
TOTAL YES	45	31	37
Definitely no	23	44	34
Probably/lean no	15	16	15
TOTAL NO	38	60	49
UNDECIDED	17	9	14

Again, survey respondents were presented with short statements from potential supporters and opponents of this measure and asked to vote a final time on the potential ballot measure. In this, the statements helped many initially undecided respondents make up their minds and choose to either support or oppose the measure. As shown in **Figure 19** on the following page, those undecided “movers” broke relatively evenly, with the total “yes” vote increasing from 37 to 40 percent and the total “no” vote increasing from 49 to 54 percent to represent a majority of respondents. (We also observed an emerging central tendency of opinions among the respondents who had been read the measure both

with and without the doubling language: After hearing arguments from supporters and opponents, those who were presented the measure without the doubling language moved to oppose the measure 51 to 43 percent, while those presented the measure with the doubling language became slightly more supportive of the measure, but still opposed it 58 to 38 percent.) Overall, these results suggest that providing voters with pro and con statements about this measure is not likely sufficient to sway a majority of them to vote in favor of it; in fact, doing so may move even more voters to oppose the measure.

FIGURE 19:
Support for a Ballot Measure Making
Inflation Adjustments to the City's Business Tax

Vote	Percentage (%)		
	Initial Combined Vote	Combined Vote After Messages	Δ
Definitely yes	18	20	+2
Probably/lean yes	19	21	+2
TOTAL YES	37	40	+3
Definitely no	34	36	+2
Probably/lean no	15	19	+4
TOTAL NO	49	54	+5
UNDECIDED	14	6	-8

Voters most likely to initially support a measure adjusting the City's business tax to take into account inflation included voters of color (particularly Latinos and Asians), renters, and young voters ages 18-29. Although Figure 19 shows that there was very little movement in overall support levels, many younger white voters were persuaded to support the measure after hearing arguments from supporters and opponents. Additionally, several demographic subgroups retreated from their initial support of the measure, including Asians (particularly older Asian women), upper-income voters (household incomes greater than \$150,000), and voters of color, generally speaking.

5.5 Other Strategies to Raise City Revenue

Respondents were also presented with several other strategies to address the City's budget deficit, in addition to the three ballot measures. These strategies either involved selling non-essential City-owned properties or renting outdoor advertising space on City-owned properties. As shown in Figure 20 on the following page, residents are very supportive of both of these strategies. Seven in ten (71%) supported the general strategy of "selling non-essential City-owned properties for private development" with 45 percent indicating they strongly support the concept. The intensity of support increases for selling several of the specific properties, including the "former City Hall" (61% strongly support selling it), "City-owned golf courses" (56% strongly support selling them), and "City-owned closed landfills" (51% strongly support selling them). Support does dip slightly for selling the "Hayes Mansion Conference Center," though 60 percent still

support selling it. Support is also quite strong for “selling outdoor advertising space on City land and buildings,” with three-quarters of respondents (76%) supporting that strategy, including one-half (49%) indicating strong support.

FIGURE 20:
Support for Alternative Revenue Generating Strategies
(Results Presented for All Residents and Sorted by Total Support)

Item	TOTAL SUPPORT (%)	Strongly Support (%)	Smwt. Support (%)	Smwt. Oppose (%)	Strongly Oppose (%)	DK/NA (%)
Selling the former City Hall	78	61	17	6	11	5
Selling outdoor advertising space on City land and buildings	76	49	27	8	12	3
Selling City-owned golf courses	73	56	17	9	13	5
Selling non-essential City-owned properties for private development	71	45	26	9	13	7
Selling City-owned closed landfills	71	51	20	8	11	9
Selling the Hayes Mansion Conference Center	60	44	16	9	14	18

CONCLUSIONS

The results of the 2009 City of San José Budget Priorities Survey lead us to draw the following conclusions:

- City residents remain largely disengaged with the City's budget. While a majority claim to follow the budget to some extent, very few follow it closely. That being said, most residents are generally aware that the City does face significant budgetary challenges and a majority worries that the problems will get worse in the future.
- As we have seen in prior research, San José residents have a slight preference for addressing the City's budget deficit by cutting City services instead of raising additional revenue, though many remain divided on the best course of action. In general, residents have grown more willing to accept a number of specific proposals to cut City services, particularly those that involve reducing benefits for City employees.
- At the same time, residents are very open to proposals to raise additional revenue that are unlikely to impact them directly. In particular, residents strongly support selling non-essential City-owned properties (e.g. the former City Hall) and renting outdoor advertising space on City-owned properties.
- Potential ballot measures to establish a ten percent tax on parking facility rates and modernize the City's business tax to keep pace with inflation do not currently have a solid base of support among likely voters. In fact, when voters hear more about these measures – including pro and con messages – opposition to each tends to increase.
- A majority of voters (62%) support a one-quarter cent sales tax measure. Support for such a measure decreases when voters hear more information about it, though overall support does remain above a majority (54%). This suggests that a general purpose one-quarter cent sales tax measure – one requiring support from a simple majority of voters – may be feasible, but that a similar special purpose measure – one requiring support from two-thirds of voters – would face a lower likelihood of success.

APPENDIX A:
TOPLINE SURVEY RESULTS

2009 CITY OF SAN JOSÉ COMMUNITY BUDGET SURVEY
320-344WT
N= 1,000
A/B SPLIT

Time Began _____

Time Ended _____

Minutes _____

Hello, I'm _____ from F-M-M-A, a public opinion research company. We're conducting a public opinion survey about issues that interest residents of the City of San José. **(IF RESPONDENT REPLIES IN SPANISH OR VIETNAMESE, OR DESIRES TO SPEAK ONE OF THESE LANGUAGES, FOLLOW THE ESTABLISHED PROCEDURE FOR HANDING OFF TO AN INTERVIEWER WHO SPEAKS THE APPROPRIATE LANGUAGE.)** We are definitely not trying to sell anything, and we are only interested in your opinions.

(FOR LISTED SAMPLE, READ THE FOLLOWING INTRO THEN SKIP TO Q1:)

May I speak to _____? **(YOU MUST SPEAK TO THE VOTER LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED, OTHERWISE TERMINATE.)**

(FOR RDD SAMPLE, READ THE FOLLOWING INTRO AND QA/B:)

May I speak with the adult in your household who celebrated a birthday most recently? **(IF NOT AVAILABLE, ASK:)** May I speak to another adult member of your household who is 18 years old or older?"

- A. I will not need to know your exact address, but in order to help me verify that you live within the boundaries of our interviewing area, could you please tell me what the ZIP code is for your current residence? **(TERMINATE ALL WHOSE ZIP CODE IS NOT ON THE LIST OF SAN JOSÉ ZIPS)**

(RECORD ZIP CODE) _____

- B. Do you live in the City of San José or in some other city?

San José -----100%

All other responses ----- **TERMINATE**

(DON'T KNOW/NA) ----- **TERMINATE**

1. Next, thinking about the overall quality of the services provided by the City of San José to its residents, would you say that you are..? **(READ LIST)**

(T)

Very satisfied ----- 37%

Somewhat satisfied ----- 45%

Neither satisfied nor dissatisfied ----- 6%

Somewhat dissatisfied, or ----- 6%

Very dissatisfied ----- 4%

(DON'T KNOW/NA) ----- 1%

(ASK Q2 OF SPLIT SAMPLE A ONLY)

2. Next, I am going to read you a list of different aspects of life in San José. After I read each one, please tell me if you expect that item to be better or worse twelve months from now. (IF BETTER/WORSE:) "Is that much BETTER/WORSE or somewhat BETTER/ WORSE?"

	<u>MUCH BETTER</u>	<u>SMWT BETTER</u>	<u>(NO DIFF.)</u>	<u>SMWT WORSE</u>	<u>MUCH WORSE</u>	<u>(DK/NA)</u>
--	------------------------	------------------------	-----------------------	-----------------------	-----------------------	----------------

(RANDOMIZE a/b/c)

- | | | | | | | |
|---|-----|-----|-----|-----|-----|----|
| []a. Your personal financial situation | 11% | 28% | 37% | 16% | 7% | 2% |
| []b. The local economy | 6% | 25% | 12% | 35% | 19% | 4% |
| []c. Property values | 6% | 20% | 20% | 32% | 16% | 5% |

(ALWAYS ASK d. LAST)

- | | | | | | | |
|----------------------|----|-----|-----|-----|-----|-----|
| d. The City's budget | 4% | 15% | 11% | 28% | 27% | 16% |
|----------------------|----|-----|-----|-----|-----|-----|

(ASK Q3 OF SPLIT SAMPLE B ONLY)

3. Next, I am going to read you a list of different aspects of life in San José. After I read each one, please tell me whether you currently have a generally positive or generally negative feeling about that item. (IF POSITIVE/NEGATIVE:) "Is that very POSITIVE/NEGATIVE or somewhat POSITIVE/NEGATIVE?"

	<u>VERY POS.</u>	<u>SMWT POS.</u>	<u>(NO DIFF.)</u>	<u>SMWT NEG.</u>	<u>VERY NEG.</u>	<u>(DK/NA)</u>
--	----------------------	----------------------	-----------------------	----------------------	----------------------	----------------

(RANDOMIZE a/b/c)

- | | | | | | | |
|---|-----|-----|-----|-----|-----|----|
| []a. Your personal financial situation | 17% | 33% | 16% | 21% | 11% | 2% |
| []b. The local economy | 5% | 21% | 12% | 36% | 25% | 1% |
| []c. Property values | 10% | 21% | 14% | 28% | 20% | 6% |

(ALWAYS ASK d. LAST)

- | | | | | | | |
|----------------------|----|----|-----|-----|-----|-----|
| d. The City's budget | 3% | 9% | 11% | 26% | 29% | 22% |
|----------------------|----|----|-----|-----|-----|-----|

(RESUME ASKING ALL RESPONDENTS)

4. Next, how closely do you follow the news about San José city government and the city budget: very closely, somewhat closely, not too closely, or not at all?

(T)

Very closely	17%
Somewhat closely	39%
Not too closely	30%
Not at all	13%
(DK/NA)	0%

MY NEXT QUESTIONS DEAL WITH SAN JOSÉ'S CITY GOVERNMENT BUDGET.

5. (T) Let me give you some more information. The City currently provides many services to its residents, but will not likely generate enough revenue to continue providing services at current levels in the future. In making decisions about the budget, should the City of San José place a higher priority on: (RANDOMIZE)

[] Reducing existing City services to avoid a need to raise additional revenue, including taxes or fees ----- 42%

OR

[] Raising additional revenue, including taxes or fees, to avoid reductions in existing City services ----- 34%

(DON'T READ)

(BOTH) ----- 11%

(NEITHER) ----- 8%

(DON'T KNOW/NA) ----- 5%

NOW I WOULD LIKE TO ASK YOU ABOUT SOME DIFFERENT MEASURES THAT MAY APPEAR ON AN UPCOMING CITY OF SAN JOSÉ BALLOT IN A FUTURE ELECTION. FOR EACH, I WILL READ YOU A DESCRIPTION OF THE POTENTIAL MEASURE. PLEASE LISTEN CAREFULLY AND THEN TELL ME HOW YOU THINK YOU MIGHT VOTE. PLEASE KEEP IN MIND THAT ONLY ONE OF THESE MEASURES WILL ACTUALLY APPEAR ON THE BALLOT.

6. First, here is the description of one possible ballot measure that could appear on the ballot in an upcoming election. It is entitled **The City of San José Vital City Services Measure**, and reads as follows:

"In order to protect and maintain essential City services such as police patrols, fire protection, 9-1-1 emergency response, street maintenance, pothole repair, parks and libraries, youth and senior recreation programs, and neighborhood watch and crime prevention, shall an ordinance be adopted to enact a one-quarter cent sales tax, subject to existing financial audits and public expenditure reports?"

If there were an election today, do you think you would vote "yes" in favor of this measure or "no" to oppose it? (IF YES/NO, ASK: "Is that definitely or just probably?") (IF UNDECIDED, DON'T KNOW, NO ANSWER, NEED MORE INFORMATION ASK:) "Do you lean toward voting yes or no?"

Definitely yes ----- 35%
Probably yes ----- 20%
Undecided, lean yes ----- 7%
TOTAL YES ----- 62%

Undecided, lean no ----- 4%
Probably no ----- 8%
Definitely no ----- 23%
TOTAL NO ----- 35%

(DON'T READ) DK/NA ----- 3%

7. Now I would like to ask you about two other measures that may appear on a future City of San José ballot instead of the first measure we discussed. After I read each one, please tell me whether you would you vote yes to support it, or no to oppose it? (IF YES/NO, ASK:) "Is that definitely (YES/NO) or just probably?" (IF UNDECIDED, ASK: "Well, do you lean towards voting yes or no?") (RANDOMIZE)

	DEF YES	PROB YES	LEAN YES	LEAN NO	PROB NO	DEF NO	(DK/ NA)
[]a. A measure to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries by establishing a <u>ten percent tax on parking facility rates in San José.</u>	25%	19%	5%	5%	10%	31%	5%

(SPLIT SAMPLE A ONLY)

[]b. A measure to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries by <u>modernizing the tax that businesses pay with an inflation adjustment.</u>	27%	14%	8%	6%	8%	23%	14%
--	-----	-----	----	----	----	-----	-----

(SPLIT SAMPLE B ONLY)

[]c. A measure to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries by <u>modernizing the tax that businesses pay with an inflation adjustment, which would approximately double annual payments.</u>	15%	16%	4%	7%	12%	36%	9%
--	-----	-----	----	----	-----	-----	----

(RESUME ASKING ALL RESPONDENTS)

<p>NOW I WOULD LIKE TO ASK YOU A FEW MORE QUESTIONS ABOUT THESE POTENTIAL BALLOT MEASURES.</p>
--

8. First, I am going to read statements from supporters and opponents of the first measure I read to you, the measure that would enact a one-quarter cent sales tax to protect and maintain essential City services like police patrols, fire protection, street repair, parks and libraries. **(RANDOMIZE)**

[] **SUPPORTERS** of this measure say that given the national and state economic crisis, the City needs a protected and reliable revenue source to fund vital services. And although the City has already taken steps to address 20 million dollars of the projected budget deficit, this measure – which would ensure that tourists and visitors from outside San José pay their fair share – is needed to close the remaining 60 million dollar gap.

[] **OPPONENTS** of this proposal say that with California in a recession, this is not the right time to raise taxes on San José residents. With the potential for significant increases in state taxes – including a sales tax – we should not be increasing local sales taxes, particularly when we cannot trust the City to spend the money generated by this ballot measure.

Now that you have heard more about it, do you think you would vote "yes" in favor of this measure or "no" to oppose it? **(IF YES/NO, ASK: "Is that definitely or just probably?") (IF UNDECIDED, DON'T KNOW, NO ANSWER, NEED MORE INFORMATION ASK:) "Do you lean toward voting yes or no?"**)

Definitely yes -----	32%
Probably yes -----	17%
Undecided, lean yes -----	7%
TOTAL YES -----	55%

Undecided, lean no -----	5%
Probably no -----	10%
Definitely no -----	27%
TOTAL NO -----	41%

(DON'T READ) DK/NA -----	4%
---------------------------------	-----------

(RANDOMIZE Q9 AND Q10)

9. Next, I would like to ask you a question about a different ballot measure than the **ONE/ONES** we were just discussing. This is the measure I mentioned earlier that would help protect and maintain City services like police patrols, fire protection, street repair, parks and libraries by establishing a ten percent tax on parking facility rates in San José. Here are statements from supporters and opponents of the measure. (RANDOMIZE)

[] **SUPPORTERS** of this measure say that most of the revenue generated by this tax on parking facility rates would come from tourists and out-of-town visitors. This measure would raise about five million dollars to preserve public safety and prevent cuts to essential City services.

[] **OPPONENTS** of this proposal say that raising taxes during an economic recession is the wrong thing to do. They also say that this tax will unfairly burden people who need to drive to work, and drive away tourists and other visitors who would bring business to San José.

Now that you have heard more about it, do you think you would vote "yes" in favor of this measure or "no" to oppose it? (IF YES/NO, ASK: "Is that definitely or just probably?") (IF UNDECIDED, DON'T KNOW, NO ANSWER, NEED MORE INFORMATION ASK:) "Do you lean toward voting yes or no?")

Definitely yes-----	25%
Probably yes-----	18%
Undecided, lean yes-----	6%
TOTAL YES -----	48%

Undecided, lean no-----	5%
Probably no-----	10%
Definitely no-----	32%
TOTAL NO -----	48%

(DON'T READ) DK/NA-----	4%
-------------------------	----

(RANDOMIZE Q9 AND Q10)

10. Next, I would like to ask you a question about a different ballot measure than the **ONE/ONES** we were just discussing. This is the measure I mentioned earlier that would protect and maintain City services like police patrols, fire protection, street repair, parks and libraries by modernizing the tax that businesses pay with an inflation adjustment.

(SPLIT SAMPLE B ONLY: , which would approximately double annual payments).

First, I am going to read statements from supporters and opponents of the measure. **(RANDOMIZE)**

[] SUPPORTERS of this measure say that business tax rates have not changed since they were adopted in 1984. This measure will modernize the business tax to reflect the new industries that have developed since 1984 and keep up with inflation over time. It will ensure that San José businesses pay their fair share, just like residents, to protect and maintain essential City services and treat business fairly.

[] OPPONENTS of this proposal say that raising taxes during an economic recession is the wrong thing to do. This tax could result in a significant across-the-board increase in business taxes, hurting San José's small businesses and driving others to relocate in neighboring cities with lower tax rates.

Now that you have heard more about it, do you think you would vote "yes" in favor of this measure or "no" to oppose it? **(IF YES/NO, ASK: "Is that definitely or just probably?") (IF UNDECIDED, DON'T KNOW, NO ANSWER, NEED MORE INFORMATION ASK:) "Do you lean toward voting yes or no?"**

	<u>SPLIT A:</u>	<u>SPLIT B:</u>	<u>TOTAL</u>
Definitely yes -----	22%	21%	22%
Probably yes -----	18%	13%	16%
Undecided, lean yes -----	8%	6%	7%
TOTAL YES -----	48%	41%	44%
Undecided, lean no -----	6%	6%	6%
Probably no -----	11%	15%	13%
Definitely no -----	30%	34%	32%
TOTAL NO -----	47%	55%	51%
(DON'T READ) DK/NA -----	5%	5%	5%

(RESUME ASKING ALL RESPONDENTS)

NOW LET ME GIVE YOU SOME MORE INFORMATION ABOUT THIS YEAR'S CITY BUDGET. OVER THE PAST SEVEN YEARS, THE CITY HAS IMPLEMENTED OVER 350 MILLION DOLLARS IN BUDGET REDUCTIONS. HOWEVER, THE CITY STILL NEEDS TO FIND 106 MILLION DOLLARS OF REDUCTIONS OVER THE NEXT FOUR YEARS TO ADDRESS ITS STRUCTURAL BUDGET DEFICIT.

11. I am now going to read you some of the main types of spending in the San José City budget. Please tell me which of these six types of services you would be most willing to see cut back in next year's budget. (IF CHOICE MADE, FOLLOW UP BY ASKING: "And which should be the second choice?") (RANDOMIZE)

	FIRST CHOICE	SECOND CHOICE
[]a. Street maintenance and road repair	10%	11%
[]b. Police and fire services	6%	5%
[]c. Public libraries	12%	13%
[]d. Park maintenance and upkeep	17%	28%
[]e. Recreation services, including community centers	23%	23%
[]f. Programs to create jobs and build the economy	8%	9%
(DON'T READ) Other (Specify) _____	1%	1%
(DON'T READ) All _____	2%	0%
(DON'T READ) None _____	18%	9%
(DON'T READ) Don't Know _____	3%	1%

12. Now I am going to read you a list of potential cuts to City services and other cost savings measures. Understanding that 60 million dollars has to be cut from the City budget this year, please tell me whether you would find each of the following potential budget cuts or cost savings measures to be completely acceptable, somewhat acceptable, or not at all acceptable as a way of helping to balance the City budget. (RANDOMIZE)

	COMP. ACC.	SMWT ACC.	NOT ACC.	(DK/ NA)
(SPLIT SAMPLE A ONLY)				
[]a. (T) Reducing funding to non-profit community based organizations	24%	38%	34%	4%
[]b. (T) Reducing support staff, but <u>not</u> sworn police officers, in the police department	23%	36%	34%	7%
[]c. Closing some City pools and aquatics centers	31%	36%	28%	4%
[]d. (T) Reducing street maintenance	18%	28%	53%	2%
[]e. (T) Reducing funds for recruiting, training and recognizing City employees	36%	37%	23%	4%
[]f. (T) Closing bathrooms in neighborhood parks	14%	24%	60%	2%
[]g. (T) Reducing the number of officers doing traffic enforcement	18%	28%	50%	4%
[]h. (T) Reducing the size of pay increases for City employees	53%	26%	19%	3%
[]i. Transitioning more responsibilities from police officers to civilian Police Department employees	26%	33%	32%	10%
[]j. (T) Reducing staff at community centers	25%	39%	31%	6%
[]k. Closing some senior centers	7%	24%	65%	3%
[]l. Reducing maintenance of City buildings	23%	44%	28%	5%

		<u>COMP.</u> <u>ACC.</u>	<u>SMWT</u> <u>ACC.</u>	<u>NOT</u> <u>ACC.</u>	<u>(DK/</u> <u>NA)</u>
(SPLIT SAMPLE B ONLY)					
[]m.	(T) Reducing administrative staff at the fire department-----	22%	36%	35%	8%
[]n.	Reducing branch library hours by one day per week-----	39%	31%	28%	2%
[]o.	(T) Reducing the number of school crossing guards-----	11%	23%	64%	2%
[]p.	(T) Reducing funds for revenue collection and management of City finances-----	25%	36%	26%	13%
[]q.	(T) Eliminating City programs that educate young people in character and decision-making or give them work experience in City government-----	16%	27%	54%	2%
[]r.	(T) Eliminating crime prevention programs in which the City works with neighborhoods-----	8%	21%	67%	4%
[]s.	(T) Reducing police staffing dedicated to solving property crimes-----	8%	21%	69%	3%
[]t.	Reducing lawn mowing and garbage pick-up at parks-----	22%	40%	35%	3%
[]u.	(T) Reducing staff at senior centers-----	17%	33%	43%	7%
[]v.	Reducing maintenance of street medians and residential park strips-----	23%	41%	32%	4%
[]w.	Reducing the size of benefits packages provided to City employees-----	39%	27%	28%	6%
[]x.	Closing some community centers-----	15%	36%	44%	5%

(RESUME ASKING ALL RESPONDENTS)

13. Now, thinking back to the two different budget deficit solutions we discussed, please tell me one more time, in making decisions about the budget, should the City of San José place a higher priority on: **(RANDOMIZE)**

[] Reducing existing City services to avoid a need to raise additional revenue, including taxes or fees----- 46%

OR

[] Raising additional revenue, including taxes or fees, to avoid reductions in existing City services----- 35%

(DON'T READ)

(BOTH)----- 12%

(NEITHER)----- 5%

(DON'T KNOW/NA)----- 3%

14. Next, I'm going ask you a list of several other suggested strategies to address the City's budget deficit. After I read each one, please tell me whether you support or oppose the City implementing that particular strategy. (IF SUPPORT/OPPOSE, ASK: "Is that strongly SUPPORT/OPPOSE or just somewhat?") (RANDOMIZE a/b FIRST, THEN RANDOMIZE c-f)

	STR SUPP	SW SUPP	SW OPP	STR OPP	(DK/NA)
(RANDOMIZE FIRST)					
[]a. Selling outdoor advertising space on City land and buildings-----	49%	27%	8%	12%	3%
[]b. Selling non-essential City-owned properties for private development-----	45%	26%	9%	13%	7%

(RANDOMIZE SECOND)

[]c. Selling the former City Hall -----	61%	17%	6%	11%	5%
[]d. Selling City-owned closed landfills -----	51%	20%	8%	11%	9%
[]e. Selling City-owned golf courses-----	56%	17%	9%	13%	5%
[]f. Selling the Hayes Mansion Conference Center-----	44%	16%	9%	14%	18%

HERE ARE MY FINAL QUESTIONS. THEY ARE JUST FOR STATISTICAL PURPOSES.

15. About how long have you lived in San José? (READ LIST)

(T)

Two years or less -----	3%
Three to four years -----	4%
Five to six years -----	6%
Seven to ten years -----	12%
11 to 15 years -----	11%
16 to 20 years -----	11%
21 years or more -----	53%
(DON'T READ) Don't know/Refused ---	1%

16. Do you live in a single-residence detached home, or do you live in a multi-family apartment, mobile home park, or condo building?

(T)

Single family detached house -----	79%
Multi-family apt/condo-----	19%
Mobile home park -----	2%
(DON'T READ) Don't know/Refused ---	1%

17. Do you own or rent the house or apartment where you live?

(T)

Own -----	73%
Rent -----	25%
(DON'T READ) Don't know/Refused ---	1%

18. Are there any children under the age of 18 living in your household?

(T)

Yes----- 42%
No----- 57%
(DK/NA)----- 1%

19. What was the last level of school you completed?

(T)

Grades 1-8----- 2%
Grades 9-11----- 3%
High school graduate (12)----- 16%
Some college----- 23%
Business/vocational school----- 4%
College graduate (4)----- 37%
Post-graduate work/
Professional school----- 15%
(DON'T READ) DK/Refused----- 2%

20. Please stop me when I come to the category that best describes the ethnic or racial group with which you identify yourself. Is it....?

(T)

Hispanic/Latino----- 21%
African-American----- 2%
Asian/Pacific Islander----- 19%
Caucasian/White----- 51%
Native American/Indian----- 1%
Some other group or identification----- 3%
(DON'T READ) Refused----- 3%

21. In what year were you born?

(T)

1991-1985 (18-24)----- 8%
1984-1980 (25-29)----- 6%
1979-1975 (30-34)----- 7%
1974-1970 (35-39)----- 9%
1969-1965 (40-44)----- 11%
1964-1960 (45-49)----- 11%
1959-1955 (50-54)----- 11%
1954-1950 (55-59)----- 9%
1949-1945 (60-64)----- 8%
1944-1935 (65-74)----- 9%
1934 or earlier (75 & over)----- 7%
(DON'T READ) DK/Refused----- 5%

22. I don't need to know the exact amount but I'm going to read you some categories for household income. Would you please stop me when I have read the category indicating the total combined income for all the people in your household before taxes in 2008?

(T)

\$10,000 and under-----	3%
\$10,001 - \$20,000 -----	4%
\$20,001 - \$30,000 -----	7%
\$30,001 - \$60,000 -----	14%
\$60,001 - \$75,000 -----	13%
\$75,001 - \$100,000-----	12%
\$100,001 - \$150,000-----	14%
More than \$150,000-----	9%
(DON'T READ) Refused -----	26%

(ASK Q23- Q24 OF RDD SAMPLE ONLY)

23. Are you a registered voter in the City of San José?

Yes-----	(CONTINUE TO Q24 AND Q25)-83%
No-----	(SKIP TO Q26)-16%
(DON'T READ) Refused -----	(SKIP TO Q26)-1%

(IF "YES" IN Q23 ASK:)

24. Are you registered as a Democrat, as a Republican, as a member of another political party, or as declining to state a party affiliation?

Democrat-----	55%
Republican-----	17%
Other/Declining to State -----	23%
(DON'T READ) Refused -----	6%

(ASK ALL RESPONDENTS WHO ARE "YES" IN Q23, AND ASK ALL VOTERS ON THE LISTED SAMPLE)

25. Which of the following best describes how often you vote in local elections: (READ LIST)

I never miss an election-----	58%
I vote in almost all elections-----	27%
I vote in most major elections, but occasionally miss one ---	8%
I only vote in some elections, or-----	3%
I rarely vote-----	2%
(DON'T READ) Refused -----	1%

(RESUME ASKING ALL RESPONDENTS)

26. Here is my final question. Could you tell me the cross streets of the main intersection near where you live? **(WRITE IN STREET NAMES)**

Street _____

with

Street _____

THANK YOU VERY MUCH FOR YOUR TIME AND ATTENTION TO MY QUESTIONS.

Gender by observation:

Male ----- 48%

Female ----- 52%

Sample:

RDD (N = 500) ----- 50%

Voter List (N = 500) ----- 50%

Phone # _____

Date _____

City _____

Interviewer _____

Verified by _____

ZIP _____

County _____

Cluster # _____

Page # _____

(RECORD BELOW FOR VOTER LIST SAMPLE ONLY)

Party: From file

Democrat----- 50%
Republican----- 27%
Decline-to-state----- 20%
Other party----- 3%

Name _____

Page # _____

Address _____

Voter ID # _____

City _____

Precinct _____

Zip _____

Interviewer _____

FLAGS

P02----- 42%
G02----- 58%
R03----- 69%
P04----- 55%
G04----- 80%
N05----- 72%
P06----- 59%
G06----- 83%
F08----- 77%
J08----- 59%

VOTE BY MAIL

1----- 17%
2----- 19%
3+----- 29%
BLANK----- 36%

PERMANENT ABSENTEE

Yes----- 70%
No----- 30%

CITY COUNCIL DISTRICT

1----- 11%
2----- 11%
3----- 6%
4----- 10%
5----- 6%
6----- 12%
7----- 6%
8----- 12%
9----- 13%
10----- 13%